~~CONFIDENTIAL~~

Attachment II

Description of the Managerial Grid Program

1.   The complete Managerial Grid Program consists of six steps,
or Phases, aimed at increasing the effectiveness of an entire
organization. It is based on the assumption that an organization
is a system rather than a collection of individuals and that
individual behavior depends on the traditions, precedents and
total culture of the organization. This Program further assumes
that if an organization is to change in the direction of greater
effectiveness, it must not only aim to change the working behavior
of individuals, but also the functioning of groups, and finally of
the organization in its entirety. This approach, commonly known
as "organization development" (or "OD") is increasingly drawing
the attention and support of trainers, consultants, as well as
managers in business and in government. (Note: Argyris' recent
pamphlet on the State Department is written with "organizational
development" as the main theme.)

2. Phase I:

       This is a five-day course for individuals, identical with
the seven Managerial Grid Seminars as conducted for 237 senior
officers of the Agency. Its objectives are to enable participants
to learn:

       a) a common language describing managerial behavior,

       b) open candid communication,

       c) basic skills of working as a member of a team,

and to examine:

       d) their personal assumptions about effective managerial
           behavior,

       e) the nature of the culture of their organization, and

       f) the theory of organization development.

3.   Phase I may be conducted by a consultant, a training
officer, or by a line manager, using copyrighted materials
developed by the author of "The Managerial Grid." Individuals
are assigned to teams and most of the work during the week
consists of work by the teams on structured exercises.

~~CONFIDENTIAL~~

4. Phase II:

   This is a two-or three-day activity which follows up the
orientation given in Phase I with on-the-job application for an
entire organization. The usual procedure is for each boss to go
through it with his immediate subordinates (a so-called "work
team"). In the case of the Office of Finance, the Director of
Finance went through Phase II with his division and staff chiefs;
each division chief then went through it with his branch chiefs;
each branch chief then went through it with his section chiefs.

5.   The objective is for each team to examine how it has been
conducting its business on-the-job and to identify ways in which
it might improve its effectiveness as a work group. Copyrighted
training exercises enable each team to examine its own culture -
the traditions, the precedents, norms and common attitudes which
influence the way the team works. The team identifies barriers
to full effectiveness, and sets specific goals for improving
its job performance. The team also develops descriptions of the
work behavior of the individual members, and develops suggestions
for improvement.

6.   It is obvious that success in Phase II depends on the
development of open candid communication and a strong commitment
to achieving excellence. A team cannot develop these character-
istics through anything that an "outsider" does for it, but by
the efforts of the work team itself. The team's boss, rather
than a trainer or a consultant, is in charge of his group's
activities as a normal part of his managerial responsibility.
The trainers simply provide technical assistance where needed.

7. Later Phases:

   Phases III through VI are concerned with development of the
organization as a whole, and were not a part of this pilot
project. To the extent that the top team of the Office of Finance
concerned itself with problems of the office as a whole, it did
actually enter into some Phase IV activity.

C-O-N-F-I-D-E-N-T-I-A-L